<u>REMARKS</u>

The Examiner has allowed claims 1-20 in view of the prior art. However, the Examiner has rejected claims 21-23 under 35 U.S.C. 102(b) as being clearly anticipated by Johnson *et al.* (WO 98/06009). The Examiner has also rejected claims 24-26 under 35 U.S.C. 103(a) as being unpatentable over Johnson *et al.* Applicant has amended independent claim 21 and added new claims 27 and 28. After this amendment the pending claims are claims 1-28.

Claim Rejections - 35 USC § 102

The Examiner has rejected claims 21-23 under 35 U.S.C. 102(b) as being clearly anticipated by Johnson *et al.* For a proper showing that these claims are anticipated by Johnson *et al.*, each element of the claimed invention must be disclosed in the cited reference.

This set of claims includes one independent claim, namely claim 21. Independent claim 21 has been amended to more clearly define the invention. Independent claim 21 now includes the limitations that the second operation area is adjacent to the first operational area, and that each stage that moves from the second operation area to the first operation area holds the second substrate that has had the second operation performed thereon in the second operation area.

Unlike the present invention, Johnson *et al.* do not disclose: (i) an interferometer system that constantly monitors the position of each of the first and second stages at all times during the movement of each stage from the second operation area to the first operation area, and (ii) during movement, each stage holds the second substrate that has had the second operation performed thereon in the second operation area.

Rather, Johnson *et al.* disclose that "[o]nce at its home position, movement of the stage in the coordinate system is determined by a displacement detector system that is comprised of a series of interferometers 150, 152, 154." In other words, the interferometers 150, 152, 154 detect movement of the stage at the home position only. Similarly, "[t]hree interferometers 296, 298, 300 are used to determine the position of the stage 116 once it has been homed" at the projection station 122. However, Johnson *et al.* do not disclose an interferometer system that constantly monitors the position of both of the stages at <u>all</u> times

¹ See Johnson et al. at page 14, lines 16-19.

² See Johnson et al. at page 31, lines 19-21.

during movement between the first and second operation area, as required by independent claim 21. Indeed, Johnson *et al.* teaches away from this by stating that "[t]he movement to the [projection] station need not be precisely or accurately controlled, that is it need not be under the control of the interferometers. Instead, it can be accomplished by detecting movement of the stage relative to the teeth of the platen." Accordingly, for this reason alone, Johnson *et al.* cannot anticipate independent claim 21.

In light of the above, ts is respectfully submitted that independent claim 21, and its dependent claims 22-28, cannot be anticipated by Johnson *et al.*, as Johnson *et al.* do not disclose all the elements of independent claim 21.

Claim Rejections - 35 USC § 103

The Examiner has rejected claims 24-26 under 35 U.S.C. 103(a) as being unpatentable over Johnson *et al*. For a proper showing that these claims are obvious in light of Johnson *et al*., each element of the claimed invention must be disclosed, taught, or suggested in the cited reference. In light of the amendment to claim 21 and the arguments presented above, it is respectfully submitted that dependent claims 24-26 cannot be anticipated by Johnson *et al*., as Johnson *et al*. do not disclose or suggest all the elements of independent claim 21 and the claims that depend there from.

061116-0007-US 10

³ See Johnson et al. at page 35, lines 5-9.

CONCLUSION

In view of the foregoing, it is respectfully submitted that the application is now in a condition for allowance. Should the Examiner believe that a telephone interview would help advance the prosecution of this case, the Examiner is encouraged to contact the undersigned attorney at 650-849-7603.

If there are any fees or credits due in connection with the filing of this Amendment, including any fees required for an Extension of Time under 37 C.F.R. Section 1.136, authorization is given to charge any necessary fees to Deposit Account No. 50-0310 (Order No. 061116-0007-US). A copy of this sheet is enclosed for such purpose.

Respectfully submitted,

Date: M

March 8, 2004

45,645

Dion M. Bregman for Thomas D. Kohler (Reg. No.)

32,797

MORGAN LEWIS & BOCKIUS LLP

3300 Hillview Avenue

Palo Alto, California 94304

(650) 493-4935